


# Higher Joblessness Placing Pressure on State UI Trust Funds

The sharp rise in continued claims and the effect on unemployment insurance trust funds have been gaining attention. As the unemployment rate reached a five-year high of 6.1 percent in August, up 2.4 million from a year earlier, newspapers such as [USA Today](#), [The New York Times](#), [The Greenville News](#), and the [San Francisco Chronicle](#) have written articles on state UI trust funds and their solvency status.

According to a NASWA analysis of 1st Quarter Unemployment Insurance Data Summary from USDOL ([click here](#) ) , thirty-four state UI trust funds are below the federally recommended level of having cash reserves equal to a year's worth of recession-level payments, as measured by what is known as the Average High Cost Multiple (AHCM).

NASWA compares all 50 states with their AHCM, their current unemployment rate and their increase in unemployment over the last 12 months. California, New York, Ohio and Michigan are among populous states projected to deplete their unemployment insurance funds this year or in 2009 to cover the cost of benefits. If unemployment rates continue to rise, and UI benefit outlays continue to increase, other states-as measured by the AHCM-will be forced to request loans from the federal government or private capital markets to fund their UI benefits.

## Average High Cost Multiple Per State 1st Quarter 2008

USA States	AHCM	Unemployment Rate as of August 2008	Annual Percent Change in Unemployment
Michigan	0	8.9	1.7
New York	0.09	5.8	1.2
Missouri	0.12	6.6	1.4
Ohio	0.12	7.4	1.7
Kentucky	0.21	6.8	1.3
New Jersey	0.21	5.9	1.7
North Carolina	0.23	6.9	2.2
South Carolina	0.26	7.6	1.8
California	0.27	7.7	2.2
Indiana	0.29	6.4	1.9
Wisconsin	0.29	5.1	0.2
Pennsylvania	0.3	5.8	1.4
Arkansas	0.32	4.8	-0.7
South Dakota	0.33	3.3	0.4
Illinois	0.34	7.3	2.1
Rhode Island	0.37	8.5	3.4
Minnesota	0.38	6.2	1.7
Texas	0.44	5	0.7
West Virginia	0.45	4.1	-0.6
Idaho	0.46	4.6	1.9
Tennessee	0.48	6.6	1.9
Massachusetts	0.5	5.3	0.9
Alabama	0.52	4.9	1.3
Connecticut	0.54	6.5	1.9
Colorado	0.67	5.4	1.6
Virginia	0.7	4.6	1.5
Maryland	0.78	4.5	0.9
North Dakota	0.8	3.6	0.4
Iowa	0.89	4.6	0.8
Delaware	0.91	4.9	1.7
Louisiana	0.93	4.7	1
Georgia	0.96	6.3	1.9
Kansas	0.96	4.7	0.7
Puerto Rico	1		
Nevada	1.02	7.1	2.2
Florida	1.04	6.5	2.3
Alaska	1.07	6.9	0.6
Arizona	1.1	5.6	1.9
District of Columbia	1.11	6.9	1.2
Wyoming	1.13	3.9	0.9
New Hampshire	1.16	4.2	0.8
Nebraska	1.21	3.5	0.4
Vermont	1.21	4.9	1.1
Utah	1.44	3.7	0.9
Montana	1.45	4.4	1.3
Oregon	1.46	6.5	1.2
Oklahoma	1.54	4	-0.3
Washington	1.54	6	1.5
Maine	1.64	5.5	0.7
Mississippi	1.7	7.7	1.5
New Mexico	1.85	4.6	1.2
Hawaii	1.88	4.2	1.5